

House Engrossed

FILED
MICHELE REAGAN
SECRETARY OF STATE

State of Arizona
House of Representatives
Fifty-second Legislature
Second Regular Session
2016

CHAPTER 195

HOUSE BILL 2391

AN ACT

AMENDING SECTION 9-511.01, ARIZONA REVISED STATUTES; RELATING TO PUBLIC UTILITIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 9-511.01, Arizona Revised Statutes, is amended to read:

9-511.01. Water and wastewater business; rates; procedures; responsibility for payments

A. A municipality engaging in a domestic water or wastewater business shall not increase any water or wastewater rate or rate component, fee or service charge without complying with the following:

1. Prepare a written report or supply data supporting the increased rate or rate component, fee or service charge. THE REPORT OR SUPPORTING DATA SHALL INCLUDE CASH FLOW PROJECTIONS THAT INDICATE ALL ANTICIPATED REVENUES FROM RESIDENTIAL AND NONRESIDENTIAL CUSTOMERS AND THE OVERALL EXPENSES FOR PROVIDING WATER OR WASTEWATER SERVICE. A copy of the report AND CASH FLOW PROJECTIONS shall be made available to the public by filing a copy in the office of the clerk of the municipality governing board AND POSTING THE REPORT AND CASH FLOW PROJECTIONS ON THE MUNICIPALITY'S WEBSITE OR THE WEBSITE OF AN ASSOCIATION OF CITIES AND TOWNS IF THE MUNICIPALITY DOES NOT HAVE A WEBSITE at least thirty days before the public hearing described in paragraph 2 OF THIS SUBSECTION.

2. Adopt a notice of intention by motion at a regular council meeting to increase water or wastewater rates or rate components, fees or service charges and set a date for a public hearing on the proposed increase that shall be held ~~not less than thirty~~ AT LEAST SIXTY days after adoption of the notice of intention. A copy of the notice of intention showing the date, time and place of the hearing shall be published one time in a newspaper of general circulation within the boundaries of the municipality not less than twenty days before the public hearing date.

B. After holding the public hearing, the governing body may adopt, by ordinance or resolution, the proposed rate or rate component, fee or service charge increase or any lesser increase.

C. Notwithstanding section 19-142, subsection B, the increased rate or rate component, fee or service charge shall become effective thirty days after adoption of the ordinance or resolution.

D. Any proposed water or wastewater rate or rate component, fee or service charge adjustment or increase shall be just and reasonable.

E. Rates and charges demanded or received by municipalities for water and wastewater service shall be just and reasonable. Every unjust or unreasonable rate or charge demanded or received by a municipality is prohibited and unlawful.

F. A MUNICIPALITY MAY NOT ASSESS OR COLLECT A FEE ON NEW WATER OR WASTEWATER SERVICE CONNECTIONS AT THE TIME OF THE ESTABLISHMENT OF SERVICE TO THOSE CONNECTIONS FOR THE PURPOSE OF RECOVERING THE MUNICIPALITY'S COSTS OF ACQUIRING, WHETHER BY PURCHASE OR BY EMINENT DOMAIN, THE UTILITY PLANT, FACILITIES, SYSTEM OR OTHER PROPERTY OF A PUBLIC SERVICE CORPORATION OR ANOTHER MUNICIPALITY ENGAGED IN THE BUSINESS OF PROVIDING WATER OR WASTEWATER

1 SERVICE. THIS SUBSECTION DOES NOT APPLY TO WATER OR WASTEWATER FEES ADOPTED
2 BEFORE JANUARY 1, 2016 OR TO WATER OR WASTEWATER FEES INCLUDED IN A NOTICE OF
3 INTENT TO ADOPT OR INCREASE WATER OR WASTEWATER RATES AND FEES ADOPTED BEFORE
4 JANUARY 1, 2016.

5 ~~F.~~ G. For residential property of four or fewer units, a municipality
6 shall not require payment of unpaid water and wastewater service rates and
7 charges by anyone other than the person who the municipality has contracted
8 with to provide the service, who physically resides or resided at the
9 property and who receives or received the service. A property owner, an
10 immediate family member of the person who does not reside at the property or
11 any other entity, at its sole discretion, may contract for water and
12 wastewater service with a municipality and shall provide payment.

13 ~~G.~~ H. For residential property of four or fewer units, a municipality
14 shall not refuse service within the municipality's service area for the
15 unpaid water and wastewater rates and charges to anyone other than the person
16 who physically resided and received the service at the property. A property
17 owner, at the owner's sole discretion, may contract for water and wastewater
18 service with a municipality and shall provide payment for that service.

APPROVED BY THE GOVERNOR MAY 11, 2016.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 11, 2016.

Passed the House March 2, 20 16

by the following vote: 37 Ayes,

21 Nays, 2 Not Voting

[Signature]
Speaker of the House

☐ Pro Tempore

[Signature]
Chief Clerk of the House

Passed the Senate May 5, 20 16

by the following vote: 19 Ayes,

10 Nays, 1 Not Voting

[Signature]
President of Senate

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

6th day of May, 20 16

at 10:21 o'clock A. M.

[Signature]
Secretary to the Governor

Approved this 11th day of

May

at 8:40 o'clock A. M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 12 day of May, 20 16

at 3:07 o'clock P M.

[Signature]
Secretary of State

H.B. 2391